9 July 1979

STAT

MEMORANDUM FOR: , ACAR, NFAC
FROM : OGCR/ERAC/FP

SUBJECT

Economic, Political, and Social Consequences of Urbanization in Less Developed Countries Research Requirements

- 1. It is suggested that the above subject be considered as the focus of a discussion/dinner to be sponsored by the DCI.
- 2. <u>Background</u>: High rates of population increase and rural-urban migration are producing rapid growth of large cities in many of the world's less developed countries. Urban populations are expanding at a pace which far outstrips the absorptive capacities of most Third World cities. Urban areas are beset by enormous demands for jobs, food, housing, transportation, clean water, public sanitation, and social services. Poverty is widespread in cities, yet the flow of migrants from countryside to city continues, reflecting the even greater poverty of the rural areas and the magnetic appeal of urban life. By the year 2000, over 2 billion people will live in cities of developing countries.
- 3. Uncontrolled city growth and its accompanying problems can threaten urban and national political and economic stability. Recent rioting and violence in Teheran, Monrovia, and Istanbul indicate the volatility of some urban populations. At the same time, conditions in other cities have deteriorated far beyond the point at which Western observers would have expected an explosive reaction, yet the cities remain outwardly calm. While dispersed rural poverty may be safely ignored by government officials, the intense spatial concentration of urban poverty is often viewed with alarm. A large mass of youthful, unemployed, hungry, illiterate migrants in fetid squatter settlements at the outskirts of a nation's capital is likely to be perceived correctly or not as a potential threat to local and national stability. Of even greater danger in some cities are educated youths seeking jobs, or members of the middle class, whose rising expectations are thwarted by stagnating economic conditions. Responses to urban problems vary according to national resources, political and social structure, development goals, and magnitude of the perceived threat. Meeting the needs of urban populations, often via imports

strains national budgets, reduces scarce foreign exchange, and requires the diversion of investment from other sectors of the national development plan. Policies to redistribute population may require huge capital investments and coercive means of enactment.

- 4. Research Needs: We do not have adequate capability to forecast or evaluate the impact of urban problems on the national economies, social structure, and political stability of less developed countries. We need to address the following issues:
  - a. What kinds of problems can be identified with various elements of an urban population? What are the specific concerns of the poor, the middle class, labor, students, and the ethnic minorities?
  - b. What economic, social, or political conditions will move residents to seek redress? How do the motivating factors differ among population subgroups or geographic regions?
  - c. How is urban discontent manifested? What conditions are likely to prompt violence? What are the warning signs of impending crises? Toward who, or what, is discontent directed? How disruptive is it?
  - d. Which elements of the populations take the lead in urban protests? How do they establish and widen their bases of support? What kinds of organizations in urban society provide frameworks for mass protests or uprisings? What is the relationship between rapid urbanization and political participation?
  - e. Does the provision of goods and services to placate urban residents threaten national economic stability? Do cities sap national resources to the detriment of overall development?
  - f. How do national and city leaders respond to urban problems? Which problems, if left unsolved, do they view as potentially damaging to their regimes? How effective are the responses?

g. Which countries What actions are likely outcomes?			

STAT

Approved Residence 2005/01/195: CIA PDP86B09985R000200210017-0 **STAT** TO: ROOM NO.
7 G. 25
REMARKS: BUILDING **STAT** FROM OGCR Approved For Release 2005/01/10 : CIA-REPROBO0985 R000200210017-0 REPLACES FORM 36-8 WHICH MAY BE USED. FORM NO .241

**STAT**